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DEPARTMENT FOR AF/RSA AND S/P.  
USAID FOR STEVE PIERCE.

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TAGS: [PREL](#) [EAID](#) [KPKO](#) [AU](#)  
SUBJECT: COORDINATING PARTNER SUPPORT TO THE AFRICAN UNION

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**¶11.** (SBU) Summary: The African Union's (AU) profile continues to rise in the international community as the AU strives to build the capacity to proactively address challenges on the continent. To further mutual objectives, the AU and Addis-based donors/partners are working to enhance coordination of AU capacity building and programmatic assistance through a new Development Cooperation Review Forum (DCRF). The DCRF will meet regularly to review AU support requirements and the status of AU institutional transformation. Some partners will progress toward pooled funding and technical assistance, but note that the AU is not currently able to absorb direct budgetary support. Coordination for AU peace support operations will continue to operate parallel to DCRF structures. The DCRF provides a structured dialogue with the AU, giving the AU more financial reliability and partners a forum to monitor and promote needed institutional reforms. The DCRF next meets on March 18. This is an action request. Please see paragraph 14. End summary.

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AU WORKING TO GET ITS HOUSE IN ORDER  
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**¶12.** (SBU) The AU continues institutional transformation, reflecting a conscious effort to eliminate vestiges of the OAU and instead equip the AU with the tools for proactivity. The 2006 AU budget devotes 9.4 million dollars to institutional transformation, which is one of four priority pillars for action. A portion of the institutional transformation process calls for updating financial, administrative, communications, human resources, and management structures. An institutional assessment funded by AU partners has revealed serious shortfalls for AU attention. AU Commissioner for Social Affairs Bience Gawanas, charged with overseeing institutional transformation, notes that AU member states and the international community expect action from the AU, but it is challenging to simultaneously act effectively and build comprehensive institutional structures.

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AU BUDGET  
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**¶13.** (SBU) AU member states approved a 60.2 million dollar program budget and 69.4 million dollar operational budget for 2006. The program budget is to be paid by voluntary member

state contributions and development partners. The operational budget is to be paid by assessed contribution of the 53 member states, though Nigeria, Libya, Egypt and South Africa together pay 75 percent of the total. Thirteen AU member states are under sanction for failing to pay assessed contributions in 2005.

**¶4.** (SBU) Although African ownership concerns prompt the AU Commission to request that partners contribute only to programs and within budget amounts approved by member states, slow or delinquent member state payments virtually paralyze AU ability to undertake critical programs. According to the AU Deputy Chairperson, the AU's lack of adequate budget planning processes results in unrealistic cost estimates for various programs. These realities have driven the AU Commission to accept partner assistance for member state approved programs beyond currently-approved budget lines.

**¶5.** (SBU) Some member states, such as South Africa, have pushed for a unified AU budget to be covered by member states. Under this formula, partner contributions would be extra-budgetary, but still based on a prioritized plan of activities. Some member states want to see a multi-year budget, which would also give partners greater ability to plan support in accordance with clear African priorities for the institution. Partner support for missions such as AMIS in Darfur is currently extra-budgetary, although the AU encourages partners to develop a peace support fund similar to the 250 million euro African Peace Facility sponsored by the EU.

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HARMONIZING INTERACTION  
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**¶6.** (SBU) To reduce transaction costs, provide a strategic forum for discussion, enhance visibility of AU institutional transformation and challenges, and give the AU enhanced funding predictability, Addis-based partners and the AU now interact within the Development Cooperation Review Forum (DCRF). The DCRF is to meet semi-annually at the heads of mission/AU Commissioners/African Permanent Representative Committee Ambassadors level, and more regularly as a working group. While DCRF meetings with the AU will focus on overall strategic planning and support, Addis-based partners envision several working-level thematic subgroups to coordinate pooled funding, peace and security, and other types of support. (Note: The EC is unable to contribute to pooled funding for the AU in the near future, but is interested in harmonizing support. Scandinavian countries and Canada appear to be on a fast-track for pooled funding. End note).

**¶7.** (SBU) British, German, and Danish Embassy representatives drafted a preliminary assessment of AU support modalities (forwarded to AF/RSA). This think-piece assumes that the AU, as an evolving political intergovernmental organization, requires assistance to enable it to negotiate based on longer-term strategic planning. It will be shared informally with the AU to provide capitals with a comprehensive recommendation.

**¶8.** (SBU) The document recommends that partners support the development of a unified budget for funding by AU member states and an extra-budgetary prioritized plan of activities for funding by partners, both with adequate monitoring. The assessment also recommends that, in the short-term, partners jointly fund AU programs where possible, but also establish a temporary pooled fund "Process Facility" to facilitate AU institutional transformation, hire consultants while full-time AU staff are recruited, and conduct organizational studies. This Process Facility would also promote AU ability to carry out programs beyond insufficient budgets provided by member states. The Process Facility would be phased out once the AU has set up appropriate institutional structures.

¶9. (SBU) Partners would continue current individual program funding/technical assistance for the AU but agree to move into joint or flexible arrangements for new programs. (Note: The AU has designated the Office of Strategic Planning Policy, Monitoring and Evaluation and Resource Mobilization (SPPMERM) to coordinate all partner support for the AU, serve as the first point of contact for partners interested in supporting any AU Commission or general AU activities, and liaise with the various commissions to provide partners with project proposals. End note).

¶10. (SBU) The EU is positioned to be the largest single donor to the AU for the near future. A team from Brussels is working with the AU to define a program of support amounting to 55 million euros over three years (2007-2010). According to EC Delegation representatives, this program will be in line with the EU Strategy for Africa, and will be tied to AU progress in implementing procurement reforms and other improvements. Addis-based partners have expressed concern that available EU funding not tied to the AU's own strategic plan approved by AU member states will give the EU undue influence over AU programs. Nevertheless, all partners, including EC Delegation representatives, agree with the need to pursue a unified approach to the AU to encourage necessary institutional reforms.

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PEACE AND SECURITY STILL A SPECIAL CASE  
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¶11. (SBU) Some AU partners lament the defacto separate status of the AU peace and security Commission, as Peace and Security funding takes on a momentum of its own, divorced from coordination by the Office of Strategic Planning (SPPMERM). Other partners, notably the UK and UN, emphasize that assistance to the AU for peace and security often cannot afford to be subjected to more lengthy bureaucratic procedures. Support to the AU for Darfur and other potential upcoming missions, such as the DRC, requires expedited coordination and often detailed follow-up with the AU. The UN is working with the AU to establish DPKO-like structures to fast-track administration and recruitment for AU missions.

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(Comment: Post agrees with UK and UN points. End comment).

¶12. (SBU) While fora such as the liaison group coordination mechanism for Darfur will continue parallel to the DCRF framework, Addis-based partners will create a DCRF subgroup on general peace and security support that will address longer-term coordination on G8 Action Plan commitments to enhance African peacekeeping capability through support for the AU's African Standby Force (ASF) effort and other programs. (Note: Until Russia assumed the G8 Presidency, the Addis-based G8 presidency coordinated Action Plan support. For consistency of focus, this coordination has now moved outside the presidency framework. End note).

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COMMENT/ACTION REQUEST  
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¶13. (SBU) Comment: Inadequate administrative and financial structures continue to impede the AU's capacity to mount effective peace support operations and otherwise proactively address continental challenges related to governance, health, etc. To the extent that the DCRF provides partners a forum to guide and support AU institutional transformation and the AU with more predictable resources, it should be encouraged, and the USG should continue to participate. End comment.

¶14. (SBU) Action Request: Post requests Department guidance on USG reaction to partner AU coordination plans, and input for the March 8 DCRF meeting. End action request.

HUDDLESTON